GOVERNMENT OF INDIA
MICRO,SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:2318
ANSWERED ON:09.05.2016
Enterprises Facilitation Councils
Biswas Shri Radheshyam

Will the Minister of MICRO,SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether the Government has established enterprises facilitation councils for disposal of delayed payment cases of the Micro, Small and Medium Enterprises(MSMEs) across the country, if so, the details thereof . State/UT- wise;

(b) the steps taken by the Government for the speedy disposal of delayed payment cases by the council;

(c) whether the Government proposes to review and restore the MSMEs in the country; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a): Yes, Madam. All States/UTs have constituted Micro and Small Enterprises Facilitation Councils (MSEFCs) for disposal of delayed payment cases of the micro and small enterprises across the country. The Micro, Small and Medium Enterprises Development (MSMED) Act,2006 provides that MSEFC shall consist of not less than three but not more than five members.

(b): As per provisions of Section 18 of the MSMED Act, 2006, every reference made to MSEFC should be decided within a period of 90 days from the date such a reference is made. Furthermore, follow up is done with the State Governments/UT Administrations for timely disposal of the cases.

(c) & (d): In order to provide a simpler and faster mechanism to address the stress in the accounts of MSMEs and to facilitate their development, the Ministry of MSME had notified a 'Framework for Revival and Rehabilitation of MSMEs' on 29th May, 2015. Under this framework, any enterprise can seek revival and rehabilitation benefit through a Committee constituted by the banks with representatives of State Governments, experts, regional or zonal head of the bank and the officer in charge of MSMEs credit department of the bank. RBI has issued the revised Framework in consultation with the Ministry of MSME on March 17, 2016 to the banks.